

THE COMMON COUNCIL OF THE CITY OF NEW ALBANY, INDIANA HELD A WORKSHOP IN THE CITY/COUNTY BUILDING ON MONDAY, MARCH 22, 2007.

MEMBERS PRESENT: Dan Coffey, Bill Schmidt, Steve Price, Jeff Gahan, Kevin Zurschmiede, Jack Messer, and Larry Kochert.

OTHERS: Paul Elling, Donahue, Hans Peterson and Wes Christmas, Clark Deitz, Tim Crawford, Rob Sartell and Brian Dixon, EMC, Mark McCormack, John Seever, Umbaugh and Associates, Todd Solomon and Bill Utz, Sewer Board Members, and Greg Fifer, Sewer Board Attorney, Mayor James Garner

The meeting was Called to Order at 6:00 p.m. by Mr. Larry Kochert.

Mr. Kochert explained that the meeting is for the sewer board to relate to the council the problems that they are encountering and what solutions they have prepared.

Mr. Fifer explained the memorandum of understanding which is on file with the City clerk's office and what needs to be done to comply. He introduced everyone present.

Hans Peterson, Clark Deitz, discussed the New Albany Sewer Basins Five-year Capital Improvements Project Location maps which are on file with the City Clerk's office. He explained that there are two remaining areas in the city that has overflow problems which are purely capacity related issues. One is basin 18 in the Brent Heights area, and Basin 35 in the Payne-Koehler Road area. He explained how they would need to install new larger lines in these areas to handle the increase capacity needed to eliminate overflows.

Mr. Dixon explained the New Projected Sewer Cleaning and T.V. Schedule for New Albany which is on file with the city clerk's office. He stated that there are 17 remaining to be cleaned to comply with the memorandum of understanding. He stated that the sewer board has agreed to purchase a second VAC truck so that they can form another team to go out and clean and televise these basins. He said these projects should be completed by 2009 but there are other basins to be cleaned that are lower priority once these are done.

Paul Elling addressed the council regarding areas that have not yet reached their capacity but with projected development will reach their capacity in the near future. He explained that Basin four in the Robert E. Lee Interceptor area is the logical extension of the work that was being done in basin three and is necessary to service Lafollette and Floyds Knobs area. He stated that City has entered into an agreement with the developer that they will provide capacity but that capacity can't be served with by basin four because it is already experiencing surcharge conditions in its downstream portions and those surcharge conditions indicate that they are beyond the designed capacity of that sewer. He suggested that the issue needs to be addressed before it becomes a problem and EPA has to come back to deal with it. . He also discussed the Basin 35 phase II and Phase III which is an extension of what Mr. Peterson previously discussed. He explained that the lower portion already has active overflow and is beyond the design capacity and that Clark Dietz is investigating this. He discussed the Jacobs Creek Lewis Branch Interceptor and stated that this one ranked lowest in priority.

Mr. Dixon stated that through their cleaning and televising they have found issue that they consider emergencies. He stated that those are in the Lewis Street Area and 15th Street area. He explained that the Lewis Street line will be pipe-burst and new line installed. The 15th Street line was addressed with a six inch line ran through the existing line from a manhole they installed across the tracks which is made of steel. He stated this isn't a permanent fix but it is a long term solution. He explained that they have a couple of small projects at the plant that they need to be addressed for the Waste Water Treatment plant such as the grit disposal and processed water. He also went over the five year capital improvement master plan.

Mark McCormack went over Cash Flow and Budgets for the sewer utility from the year 2007 to 2010. He stated that they started with historical cost data that they had from previous years and reflected some changes because of rate increases approved by the City Council and other funding sources. He also presented an expenditure sheet for 2007-2010 and explained the different fees that would be coming up in the future.

John Seever, Umbaugh and Associates, addressed the council regarding the financing plan that they accepted in August in connection with all the options that were presented to them at the time. He went over how much money they were going to have available and discussed available financing scenarios if they anticipated need for more financing and discussed the anticipated proposed bond notes.

Mr. Fifer summarized the information that was given to council and explained to them what needs to be done. He explained that if they are looking to do all the improvements that are on the list then it will be approximately \$2.5 million.

Mr. Gahan thanked the sewer board for the information. He asked how much is needed to comply with the EPA requirements as far as projects go without cleaning and Televising. He asked how many overflows we have had in the past year.

Mr. Fifer stated about \$1.9 million.

Mr. Kochert stated that cleaning and televising is part of compliance with EPA and has to be done as well.

Mr. Dixon stated that some of the projects aren't going to be done this year but will be done in 2008 so if you look for that total it is about \$2.5 million.

Mr. Sartell stated that in the past year there have been approximately 30-35 but none since the Bar Screen project was finished at the end of July.

Mr. Fifer explained that there is gravity main at basin 35 that goes under the bridge at Charlestown Rd. and the manhole that overflowed is the lowest manhole on that line and sets adjacent to the creek. He stated that Rob and Brian have done temporary repairs to raise the level of the manhole and it isn't a permanent solution.

Mr. Gahan stated that from his understanding the total for basin 18 and 35 is \$2.5 million and the total available funds for capital projects in the original contract is \$2.8 million and asked if this was correct.

Mr. Fifer said yes.

Mr. Gahan stated that it looks like there is enough in capital project funds to cover these expenses.

Mr. Dixon stated that they have to take into account the \$500,000 a year they spend on iodine (?) removal.

Mr. Fifer explained that there are projects that they know will have to be addressed in the near future that aren't on the list at the moment and there is still some question as to whether or not they can defer and upgrade the Robert E. Lee Interceptor.

Mr. Solomon said that he feels that neither Robert E. Lee Interceptor project nor the issues with 15th Street can be put off any longer and that there is risk involved with not addressing the issues at either site. He explained that both of these areas have been ignored for years and it is time for the City to spend some money to fix them.

Mr. Price asked for clarification of the 15th Street project.

Mr. Fifer stated that it is a relatively permanent solution and they no longer have to pump it out. He explained that he does agree that 15th Street does need to be addressed but they are just now starting the project and need to look at what the impact of the soil conditions and the railroad is on the sewer line and until they know the answers to those questions he can't give them a better idea of where they are headed. He stated that he believes they should congratulate the efforts of EMC to correct this problem with the long term solution because it saved the City over \$150,000 by doing that.

Mr. Zurschmiede asked if the Cash flow reflected any possible growth.

Mr. McCormick stated that he did not include any possible growth because it is uncertain with the lack of sewer credits.

Mr. Coffey asked why we are worrying about improving the sewer lines for Floyds Knobs because even though it brings in money for the sewage utility it doesn't bring in any money for New Albany.

Mr. Fifer explained that they have spent a nominal amount of money to open that corridor up and part was for what going on in the city with Old Vincennes Rd today. He stated that there is no more money going to the knobs, but they did a study as a part of serving Georgetown and Robert E. Lee of Basin \$ which is a line through the west end of town . Basin four was estimated to only be able to handle 8,000 more gallons of flow no matter where it comes from. Since there is additional growth available in that area they want that part of town to be freed up to have additional flow going through it.

Mr. Coffey asked where the 80,000 for the flow was coming from now.

Mr. Fifer stated that there was a commercial project that tool tow different allocations located at the top of 150 and a residential project.

Mr. Coffey said that was his point they are doing additional work for people in the knobs to have the allocations and he thinks we should spend the money in the city to benefit the city.

Mr. Fifer asked Mr. Coffey why they couldn't annex the knobs

Mr. Coffey stated it would cost a fortune in city funds to do it.

Mr. Fifer stated that as long as the board looks at is a reasonable investment to make there can be no difference between a utility customer and any other customer.

Mr. Coffey said but in the mean time the rates are going up and the reason they are there is to get more tax dollars from the city or to raise the rates.

Mr. Kochert said that they were really there to discuss the commitment that everyone made back in August in order to keep the rates down and they agreed to fund moneys from different sources at the time and now that it is time to pay the cost the council doesn't want to cover them.

Mr. Coffey stated that they gave them the money that they asked for.

Mr. Fifer tried to back up and re-summarize what they were there for.

Mr. Coffey stated that he had a conversation with Mr. Fifer when they approved the last rate increase and was told that this would wipe the slate clean and they would start from scratch and now the board is coming to ask for the \$540,000 after the rate increase.

Mr. Fifer said that he was mixing two different conversations and the discussion about wiping the slate clean dealt with allocating misappropriates of money to pay for non-sewer related expenditures. He explained that he was there to explain the true state of the sewers in the City and if they want to keep doing what is suggested by the Sewer Board that additional money will have to be found.

Mr. Coffey said on the net cash flow report it shows a deficit and he wants to know what they intend to do about that even if they get the money they are asking for now.

Mr. Fifer explained that assuming they continue to have new growth, their goal is to segregate the tap fees into a separate fund so that they don't have to come back and ask for money. They never said the projects were funded within their rate structure but they are at the point that they can't go market property in some of these areas unless the work is done.

Mr. Zurschmiede said that the 2007-2010 plan was refreshing to him because it is the first time in a long time he had heard anyone give any thought to the future of New Albany.

Mr. Fifer stated that all the information was given to them as an overview for the next four years, but tonight they were just focusing on 2007-2008 and they needed the council's help to get through the next couple of years.

Mr. Messer asked if there is any federal money to give us any relief.

Mr. Fifer explained that they did away with sewer grant money in the early 90's.

There being no further business the meeting adjourned at 7:16 p.m.

Larry Kochert, President
Common Council, City of New Albany

ATTEST: _____
Marcey J. Wisman, City Clerk